

(Following Paper ID and Roll No. to be filled in your
Answer Books)

Paper ID : 174610

Roll No.

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B.H.M.C.T.

Theory Examination (Semester-VI) 2015-16

FINANCIAL MANAGEMENT

Time : 3 Hours

Max. Marks : 100

Note : Attempt all Questions.

Section-A

UPTU NOTES

1. Define the following in brief: (2×10 = 20)

- (a) Profit
- (b) Shares
- (c) Debenture
- (d) Capital
- (e) Preference share
- (f) Annuity
- (g) Finance

- (h) Time value of money
- (i) Financial Management
- (j) Indifference point

Section-B

2. Attempt any five questions out of the following:

(10×5 = 50)

- (a) Briefly describe the responsibilities and functions of financial manager in an organization.
- (b) Differentiate between the Profit maximization and Wealth maximization.
- (c) What is the over capitalization and also discuss the remedies of overcapitalization
- (d) Define EBIT-EPS analysis
- (e) Briefly explain term leverage and also discuss its type.
- (f) What do you understand by inventory management? Discuss various motives of holding inventory in a firm.
- (g) What is the use of calculating net working capital?
- (h) Distinguish between ARR and IRR method?

Section-C

Attempt any two questions of the following (15×2 = 30)

3. XYZ industries Ltd. Issues 5,000, 12% debentures of Rs. 100 each at par, 10% discount and 10 % premium. The tax rate is 40%. Calculate before tax cost of debt for all the three conditions i.e. at par, at premium and at discount.
4. "Profitability Index method is superior to Net present value method in ranking investment proposal." Comment and also give a brief note on other methods.
5. What is the concept of working capital? Discuss various factors affecting working capital. Define cost of capital.